

**FOR IMMEDIATE RELEASE**

**December 10, 2004**

**CONNOR, CLARK & LUNN CAPITAL MARKETS INC. ANNOUNCES  
Exchange Ratios relating to the Exchange Option for the Connor, Clark & Lunn  
Conservative Income Fund**

**TORONTO – December 10, 2004 - Connor, Clark & Lunn Capital Markets Inc.** announced the exchange ratios (the “Exchange Ratios”) relating to the exchange option (the “Exchange Option”) of the offering of the Connor, Clark & Lunn Conservative Income Fund (the “Trust”). The Trust is offering units (“Units”) at \$10.00 payable in cash or through the exchange of freely tradeable units of certain income trusts (the “Exchange Eligible Securities”) pursuant to the Exchange Option and as described in the prospectus of the Trust dated November 29, 2004.

The Trust’s investment objectives are to:

- (i) provide holders of the Units with a stable stream of monthly cash distributions targeted to be \$0.0583 per Unit (representing approximately a 7.0% per annum yield on the issue price of \$10.00 per Unit); and
- (ii) preserve the net asset value per Unit in order to return at least the original issue price of Units (\$10.00 per Unit) to Unitholders on or about December 15, 2014 and provide to Unitholders an opportunity for capital appreciation above the original issue price.

In order to achieve the Trust’s investment objectives, Connor, Clark & Lunn Investment Management Ltd., (the “Investment Manager”) the Trust’s Investment Manager, will invest the net proceeds of the offering, together with any borrowings under the Trust’s loan facility, or other leverage transactions in a portfolio consisting of income producing securities including Canadian business income trusts, real estate investment trusts, utility income trusts, corporate bonds and convertible bonds. The portfolio will be managed to substantially replicate the CC&L Income Fund Composite, a strategy managed by the Investment Manager, which has similar investment objectives to those of the portfolio.

**Determination of the Exchange Ratios**

The number of Connor, Clark & Lunn Conservative Income Fund Units issuable in respect of a particular class or series of Exchange Eligible Security was determined by dividing:

1. The average of the daily weighted average trading price of such Exchange Eligible Security on the TSX during the three consecutive trading days ended on December 9<sup>th</sup> as adjusted to reflect distributions declared by the issuer of such security that will not be received by the Trust; by
2. \$10.00; rounded down to four decimal places.

**Exchange Option**

The deadline for holders of the Exchange Eligible Securities intending to utilize the Exchange Option was 5:00 p.m. (Toronto time) on December 6, 2004.

### **Cash Option**

Prospective purchasers may still acquire Connor, Clark & Lunn Conservative Income Fund Units for cash.

### **Issuers and Exchange Ratios**

The following table identifies the average of the daily weighted average trading prices of each Exchange Eligible Security for which deposits were received pursuant to the Exchange Option, and the Exchange Ratio used to determine the number of Units issued for such Exchange Eligible Security.

<i>Exchange Eligible Security</i>	<i>Ave of Daily Weighted Ave Trading Price</i>	<i>Exchange Ratio</i>
Chartwell Seniors Housing Real Estate Investment Trust	12.7392	1.2739
CML Healthcare Income Fund	12.6477	1.2647
Connors Brothers Income Fund	17.2528	1.7252
Davis & Henderson Income Fund	21.0717	2.1071
Fording Canadian Coal Trust	83.4764	8.3476
Fort Chicago Energy Partners LP	11.0554	1.1055
Gateway Casinos Income Fund	19.6691	1.9669
Legacy Hotels Real Estate Investment Trust	6.6990	0.6699
Liquor Stores Income Fund	14.3555	1.4355
Medical Facilities Corp	11.6733	1.1673
Osprey Media Income Fund	9.1786	0.9178
Pembina Pipeline Income Fund	13.1586	1.3158
RioCan Real Estate Invst TR	17.6869	1.7686
Sun Gro Horticulture Income Fund	7.4494	0.7449
Yellow Pages Income Fund	12.9703	1.2970
Versacold Income Fund	9.0872	0.9087

\* Adjusted to reflect distributions declared by the issuer of such security that will not be received by the Company.

### **The Agents**

The Offering is co-led by Scotia Capital Inc., CIBC World Markets Inc. and RBC Capital Markets, and includes BMO Nesbitt Burns Inc., National Bank Financial Inc., TD Securities Inc., Desjardins Securities Inc., HSBC Securities (Canada) Inc., Canaccord Capital Corporation, First Associates Investments Inc., Raymond James Ltd., Richardson Partners Financial Limited, and Wellington West Capital Inc.

Connor, Clark & Lunn Capital Markets Inc. (“CC&LCM”) has been retained to act as manager of the Trust and is responsible for providing or arranging for the provision of administrative management services required by the Trust. The Investment Manager will provide investment advisory and portfolio management services to the Trust. CC&LCM is a developer and manager of structured investments for the Canadian retail market, with approximately \$800 million in assets under management and is part of the Connor, Clark & Lunn Financial Group of companies, which manage in excess of \$22 billion in financial assets.

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